

RECORDATION NO. 20435-A FILED

JAN 5 '98

12-21 PM

ALVORD AND ALVORD
ATTORNEYS AT LAW
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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

January 5, 1998

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies of an Amendment No. 1 to Security Agreement, dated as of December 30, 1997, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Security Agreement which was previously filed with the Board under Recordation Number 20435.

The names and addresses of the parties to the enclosed documents are:

Debtor: Rail Leasing Co , L L C.
601 South East Street
Weimer, TX 78962

Secured Party: NationsBanc Leasing Corporation
(successor by merger to The
Boatmen's National Bank of St Louis)
101 South Tryon
Charlotte, NC 28255

RECEIVED
SURFACE TRANSPORTATION
BOARD

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Counterparts -

Vernon A. Williams
January 5, 1998
Page 2

A description of the railroad equipment covered by the enclosed documents is:

fifty-six (56) railcars bearing TEIX reporting marks and road numbers set forth on Schedule B attached thereto.

Also enclosed is a check in the amount of \$24.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed documents to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/bg
Enclosures

SURFACE TRANSPORTATION BOARD
WASHINGTON, D. C. 20423-0001

OFFICE OF THE SECRETARY

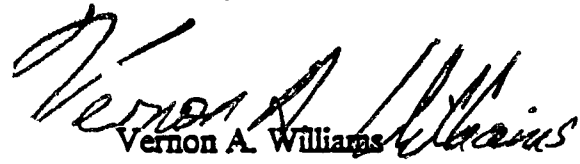
Robert W. Alvord
Alvord And Alvord
918 Sixteenth St., NW., Ste. 200
Washington, DC., 20006-2973

DATE: 1/5/98

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of 49 U.S.C. 11301
and 49 CFR 1177.3 (c), on 1/5/97 at 12:21PM and 12:26 PM , and
assigned recordation number(s). 20435-A and 21156.

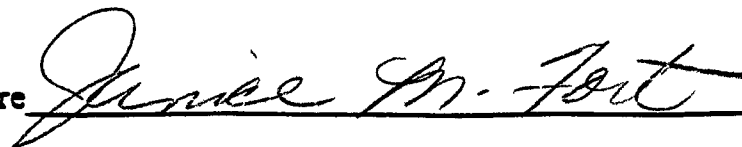
Sincerely Yours,


Vernon A. Williams
Secretary

Enclosure(s)

\$ 48.00 The amount indicated at the left has been received in payment of a fee in
connection with a document filed on the date shown. This receipt is issued for the amount paid.
In the event of an error or any questions concerning this fee, you will receive a notification after
the Surface Transportation Board has an opportunity to examine your document.

Signature



JAN 5 '98 12-21 PM

AMENDMENT NO. 1 TO SECURITY AGREEMENT (ASSIGNMENT)

THIS AMENDMENT NO. 1 TO SECURITY AGREEMENT (ASSIGNMENT), dated as of December 30, 1997 (this "Amendment"), is entered into between RAIL LEASING CO., L.L.C., a Texas limited liability company (the "Debtor"), and NATIONSBANC LEASING CORPORATION, a North Carolina corporation (the "Secured Party").

WITNESSETH:

WHEREAS, the Debtor and The Boatmen's National Bank of St. Louis ("Boatmen's") are parties to a certain Security Agreement (Assignment), dated as of December 30, 1996 (the "Security Agreement," capitalized terms used herein without definition having the meanings given such terms in the Security Agreement); and

WHEREAS, in conjunction with the merger of Boatmen's into NationsBank, N.A., the Secured Party has succeeded to the rights and interests of Boatmen's under the Security Agreement; and

WHEREAS, the Debtor and the Secured Party have agreed to amend the Security Agreement on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the premises set forth above, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Debtor and the Secured Party agree as follows:

Section 1. Amendment of the Security Agreement. Subject to the fulfillment of the conditions precedent set forth in Section 2 below, the Security Agreement is amended as follows:

(a) The first line of clause (i) of Section 1.1 is hereby amended and restated to read in its entirety as follows:

(i) in certain railroad plastic pellet cars described on Schedule A to this Security Agreement, together with certain railroad plastic pellet cars described on Schedule B to this Security Agreement

(b) The definition of "Obligations" is hereby amended and restated to read in its entirety as follows:

"Obligations" means all indebtedness (whether principal, interest, fees or otherwise), obligations and liabilities of the Debtor to the Secured Party (including, but not limited to, those arising under the Loan Agreement as well as those

arising under that certain Term Loan Agreement dated as of December 30, 1997, between the Debtor and the Secured Party), as the same may be renewed, extended, amended, rearranged, restructured, refinanced, replaced or otherwise modified (including, without limitation, modifications to interest rates or other payment terms of such indebtedness), whether now existing or hereafter created, absolute or contingent, direct or indirect, joint or several, secured or unsecured, due or not due, contractual or tortious, liquidated or unliquidated, arising by operation of law or otherwise, or acquired by the Secured Party outright, conditionally or as collateral security from another, including, but not limited to, the obligation of the Debtor to pay future advances by the Secured Party, whether or not made pursuant to commitment and whether or not presently contemplated by the Debtor and the Secured Party, and the obligation to repay advances by the Secured Party under any letters of credit issued for the Debtor's account, and all costs of collection thereof, including, but not limited, attorneys' fees and attorneys' expenses (whether or not there is litigation), court costs and all costs in connection with any proceedings under the United States Bankruptcy Code pertaining thereto

(c) The definition of "Secured Party" appearing in Section 12 of the Security Agreement is hereby amended and restated to read in its entirety as follows

"Secured Party" means NationsBanc Leasing Corporation, a North Carolina Corporation

(d) Schedule B to this Amendment is hereby added to the Security Agreement as Schedule B thereto

Section 2 Conditions to Amendment This Amendment shall become effective upon the receipt by the Secured Party of two counterparts of this Amendment, executed by the Debtor and the Secured Party

Section 3 Representations and Warranties The Debtor hereby represents and warrants that (i) this Amendment constitutes the legal, valid and binding obligation of the Debtor, enforceable against the Debtor in accordance with its terms, (ii) the representations and warranties contained in the Security Agreement are correct in all material respects as though made on and as of the date of this Amendment, and (iii) no Event of Default has occurred and is continuing

Section 4 Reference to and Effect on the Security Agreement (a) Upon the effectiveness of this Amendment, each reference in the Security Agreement to "Agreement" or "this Agreement," "hereunder," "hereof," "herein," or words of like import shall mean and be a reference to the Security Agreement, as amended hereby, and each reference to the Security Agreement in any other document, instrument or agreement executed and/or delivered in connection with the Security Agreement shall mean and be a reference to the Security Agreement, as amended hereby

(b) Except as specifically amended above, the Security Agreement and all the documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full and force and effect and are hereby ratified and confirmed in all respects

(c) The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Secured Party under the Security Agreement, nor constitute a waiver of any provision of the Security Agreement, except as specifically set forth herein

Section 5 Execution in Counterparts This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument

Section 6 Governing Law This Amendment shall be governed by and construed in accordance with the internal laws (as opposed to the conflicts of laws provisions) of the State of Missouri

Section 7 Legal Fees The Debtor agrees to pay to the Secured Party, upon demand, all costs and expenses that the Secured Party pays or incurs in connection with the negotiation, preparation, consummation, administration, enforcement and/or termination of this Amendment, including, without limitation, the reasonable fees and expenses of the Secured Party's counsel

Section 8 Section Titles The section titles contained in this Amendment are and shall be without substance, meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective representatives thereunto duly authorized, as of the date first above written.

RAIL LEASING CO., L.L.C.

By: James J. Unger
James J. Unger

By: Roger D. Wynkoop
Roger D. Wynkoop

By: Umesh R. Choksi by James J. Unger P/A
Umesh R. Choksi

By: TRANSPORTATION EQUIPMENT,
INC.

By: Bob Atnip
Bob Atnip, Sr. Vice President

NATIONSBANC LEASING CORPORATION

By: Herbert T. Thureau
Herbert T. Thureau, Senior Vice President

STATE OF MISSOURI)
)
COUNTY OF ST. LOUIS) SS:

On this 29th day of December, 1997, before me, personally appeared James J. Unger, to me personally known, who being by me duly sworn, says that he resides at 26 Baxter Lane, Chesterfield, Missouri 63017, and is a member of Rail Leasing Co., L.L.C., a Texas limited liability company, that the foregoing instrument was signed on such date on behalf of said limited liability company by authority of its members; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said limited liability company.

Karla R. Terry
Notary Public

My commission expires:

10-22-2000

Karla R. Terry
Notary Public-Notary Seal
State of Missouri
St. Louis City County
My Commission Exp 10/22/2000

STATE OF MISSOURI)
)
COUNTY OF ST. LOUIS) SS:

On this 29th day of December, 1997, before me, personally appeared Roger D. Wynkoop, to me personally known, who being by me duly sworn, says that he resides at 403 Savannah Ridge Drive, St. Charles, Missouri 63303, and is a member of Rail Leasing Co., L.L.C., a Texas limited liability company, that the foregoing instrument was signed on such date on behalf of said limited liability company by authority of its members; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said limited liability company.

Karla R. Terry
Notary Public

My commission expires:

10/22/2000

Karla R. Terry
Notary Public-Notary Seal
State of Missouri
St. Louis City County
My Commission Exp. 10/22/2000

STATE OF MISSOURI)
)
COUNTY OF ST. LOUIS) SS:

On this 29th day of December, 1997, before me, personally appeared James J. Unger, to me personally known, who being by me duly sworn, says that he resides at 26 Baxter Lane, Chesterfield, Missouri 63017, and is attorney-in-fact for Umesh R. Choksi who is a member of Rail Leasing Co., L.L.C., a Texas limited liability company, that the foregoing instrument was signed on such date on behalf of said limited liability company by authority of its members; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said limited liability company.

Karla R. Terry
Notary Public

My commission expires:

10/22/2000

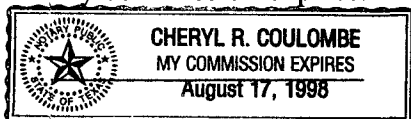
Karla R. Terry
Notary Public-Notary Seal
State of Missouri
St. Louis City County
My Commission Exp 10/22/2000

STATE OF TEXAS)
)
COUNTY OF HARRIS) SS:

On this 30 day of December, 1997, before me, personally appeared Bob Atnip, to me personally known, who being by me duly sworn, says that he resides at 15902 BRAMPTON COURT, SPRING, TX 77379, and is the Senior Vice President of Transportation Equipment, Inc., a Texas corporation, which is a member of Rail Leasing Co., L.L.C., a Texas limited liability company, that the foregoing instrument was signed on such date on behalf of said limited liability company by authority of its members, and he acknowledged that the execution of the foregoing instrument was the free act and deed of Transportation Equipment, Inc., as a member of said limited liability company.

Cheryl R. Coulombe
Notary Public

My commission expires:



STATE OF NORTH CAROLINA)
COUNTY OF MECKLENBURG)

On this 31st day of December, 1997, before me, personally appeared Herbert T. Thureau, to me personally known, who being by me duly sworn, says that he resides at 933 Sydney Drive, Charlotte, North Carolina 28270, and is a Senior Vice President of NationsBanc Leasing Corporation, a North Carolina corporation, that the foregoing instrument was signed on such date on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

William H. Pearson
Notary Public

My commission expires:

2-16-98



SCHEDULE B

| <u>Equipment</u> | <u>Quantity</u> | <u>Reporting Marks</u> |
|--|------------------------|-------------------------------|
| New ACF Industries Inc. 100-ton CF 5711 covered hopper cars for plastic pellets | 9 | TEIX 058191 - TEIX 058199 |
| " | 10 | TEIX 058209 - TEIX 058218 |
| " | 10 | TEIX 058229 - TEIX 058238 |
| " | 10 | TEIX 058249 - TEIX 058258 |
| " | 1 | TEIX 058269 |
| " | 1 | TEIX 058282 |
| " | 10 | TEIX 058294 - TEIX 058303 |
| " | 5 | TEIX 058271 - TEIX 058275 |